

Rural Utilities Service, USDA

§ 1770.11

To record a reduction in the deferred Statement No. 106 transition obligation resulting from the adoption of the SERP.

NOTE: The dollar value of this entry must not exceed the deferral shown on the balance sheet.

If, after the two previous reductions have been made, any net credit remains, it shall be recognized in a manner consistent with prior service costs; that is, as an off balance sheet item that is amortized over the remaining service lives (to full eligibility) of the active plan participants. The annual amortization reduces amounts normally charged to the various operations, maintenance, and administrative expense accounts and Account 228.3 as postretirement benefit expenses.

[58 FR 59825, Nov. 10, 1993, as amended at 59 FR 27436, May 27, 1994; 60 FR 55430, 55435–55438, Nov. 1, 1995; 62 FR 42319–42321, 42323, 42330, Aug. 6, 1997]

§§ 1767.42–1767.45 [Reserved]

Subpart C—Depreciation Rates and Procedures [Reserved]

§§ 1767.46–1767.65 [Reserved]

Subpart D—Preservation of Records [Reserved]

§§ 1767.66–1767.85 [Reserved]

PART 1770—ACCOUNTING REQUIREMENTS FOR RUS TELEPHONE BORROWERS

Subpart A—General Provisions

Sec.

1770.1—1770.9 [Reserved]

Subpart B—Uniform System of Accounts

1770.10 General.
1770.11 Accounting system requirements.
1770.12 Supplementary accounts.
1770.13 Accounting requirements.
1770.14 Continuing property records.
1770.15 Supplementary accounts required of all borrowers.
1770.16 Supplementary accounts required of nonprofit organizations.
1770.17—1770.25 [Reserved]

Subpart C—Accounting Interpretations

1770.26 General.
1770.27 Definitions.
1770.28–1770.45 [Reserved]

APPENDIX TO SUBPART C TO PART 1770—ACCOUNTING METHODS AND PROCEDURES REQUIRED OF ALL BORROWERS

AUTHORITY: 7 U.S.C. 901 *et seq.*; 7 U.S.C. 1921 *et seq.*; Pub. L. 103–354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).

SOURCE: 55 FR 3388, Feb. 1, 1990, unless otherwise noted.

Subpart A—General Provisions

§§ 1770.1—1770.9 [Reserved]

Subpart B—Uniform System of Accounts

§ 1770.10 General.

This subpart implements provisions of the standard RUS loan documents with respect to the accounting system accounts to be maintained by telecommunications borrowers of the Rural Utilities Service.

§ 1770.11 Accounting system requirements.

(a) Each RUS borrower subject to the jurisdiction of the Federal Communications Commission (FCC) or a State regulatory body shall maintain its accounts and records in accordance with the rules and regulations prescribed by that regulatory body.

(b) Each RUS borrower not subject to regulatory control as specified in § 1770.11(a) shall maintain its accounts and records in accordance with the FCC Uniform System of Accounts as set forth in part 32 of the Commission's Rules and Regulations.

(1) RUS borrowers having annual revenues derived from regulated telecommunications operations of \$100,000,000 or more shall maintain the accounts prescribed in part 32 for Class A companies.

(2) RUS borrowers having annual revenues derived from regulated telecommunications operations of less than \$100,000,000 shall maintain the accounts prescribed in part 32 for Class B companies.

§ 1770.12

(3) RUS borrowers maintaining the accounts prescribed for Class B companies may adopt the Class A accounts if they desire more detailed and sophisticated accounting records.

§ 1770.12 Supplementary accounts.

(a) All borrowers shall maintain the supplementary accounts set forth in §1770.15. These accounts conform in number and title with accounts prescribed in the FCC Uniform System of Accounts. In those instances in which a State regulatory body having jurisdiction over an RUS borrower has prescribed a system of accounts differing from that of the FCC, the account titles prescribed by RUS in §1770.15 shall remain unchanged; however, the supplementary account numbers shall be changed to conform with the State's accounting system.

(b) In addition to the accounts set forth in §1770.15, cooperative or other nonprofit borrowers shall maintain the supplementary accounts set forth in §1770.16.

(c) Borrowers are permitted to deviate from the specific subaccount numbers detailed in §§1770.15 and 1770.16 provided that the primary account numbers and account descriptions conform with those prescribed.

(Approved by the Office of Management and Budget under control number 0572-0003)

§ 1770.13 Accounting requirements.

(a) Each borrower shall maintain its books of accounts on the accrual basis of accounting. All transactions shall be recorded in the period in which they occur and reconciled monthly. The books of accounts shall be closed at the end of each fiscal year and financial statements shall be prepared for the

7 CFR Ch. XVII (1-1-01 Edition)

period and audited in accordance with the provisions of 7 CFR part 1773, RUS Policy on Audits of Electric and Telephone Borrowers.

(b) All books of accounts, records, and memoranda shall be maintained in such a manner as to fully support the journal entries to which they relate. The books and records referred to herein shall include records of a nontechnical nature such as minute books, stock and membership records, reports, correspondence, and memoranda.

(c) Interpretations of Federal or State requirements shall be referred to the applicable commission exercising jurisdiction over the borrower.

(d) Interpretations of RUS accounting requirements shall be referred to the appropriate Telephone Area office of RUS.

§ 1770.14 Continuing property records.

Each borrower shall maintain continuing property records which detail the date of placement, location, description of property, and the original cost of the property record units. The continuing property record and other underlying records of construction costs shall be maintained so that upon retirement of one or more retirement units or of minor items without replacement when not included in the costs of retirement units, the actual cost of the plant retired can be determined.

§ 1770.15 Supplementary accounts required of all borrowers.

Accounts prescribed in the Stockholders' Equity and Patronage Capital section shall be maintained by stock companies and cooperatives as appropriate.

Class of company		Account title
Account No.		
A	B	
		<i>Current Assets</i>
1130.1	1120.11	Cash—General Fund.
1130.2	1120.12	Cash—Construction Fund Trustee.
1130.3	1120.13	Cash—Transfer of Funds.
	1120.21	Special Cash Deposits.
1150.1	1120.31	<i>Petty Cash Fund</i>